

<p align="center">2003-2004 ANNUAL REPORT</p>

SPECIAL REVENUE FUNDS (CONT'D.)

Storm Sewer Operating Fund

The Storm Sewer Operating Fund was established to provide for the acquisition, construction, reconstruction, maintenance, and operation of the storm drainage system. With the establishment of the Storm Sewer Capital Fund in 1994-1995 (which is funded primarily through transfers from this fund), expenditures are focused on non-point source pollution reduction, along with the maintenance and operation of the storm drainage system.

***Storm Sewer
Operating
Fund***

	Budget	Actual	Variance	Percent Variance
<i>Revenue</i>	\$ 13,794	\$ 13,977	\$ 183	1.3%
<i>Expenditure</i>	15,653	13,989	1,664	10.6%
<i>Fund Balance (est. *)</i>	2,437 *	4,057	1,620	66.5%

The positive revenue variance (\$183,000) is primarily due to higher than budgeted storm drainage assessments (\$199,000), partially offset by lower than estimated interest earnings (\$16,000).

Expenditure savings of \$1.7 million was primarily produced in the Environmental Services Department's Non-Personal/Equipment appropriation (\$957,000), the Department of Transportation's Non-Personal/Equipment appropriation (\$588,000), and vacancy savings in the Environmental Services Department (\$58,000). Rebudgets of \$40,000 in non-personal/equipment expenditure savings were included in the 2004-2005 Adopted Operating Budget for a Pesticide Use Tracking System in the Environmental Services Department. Expenditure savings totaling \$290,000 in the Environmental Services Department Non-personal/Equipment appropriation are recommended in this document for rebudget to 2004-2005 for continued urban runoff work related to maintaining the City's National Pollutant Discharge Elimination System permit requirements.

The ending fund balance ended the year \$1.6 million higher than the estimated levels. This variance was primarily due to lower than estimated expenditures.